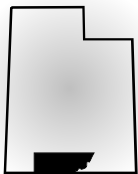


County Trends



Kane

June 2003

A Local Economic Perspective

It's up, it's down, it's all around

If Kane County had an economic mind of its own, it would be a singularly indecisive one. The county's economic indicator pendulum keeps swinging from one extreme to the other without providing a clear economic signal.

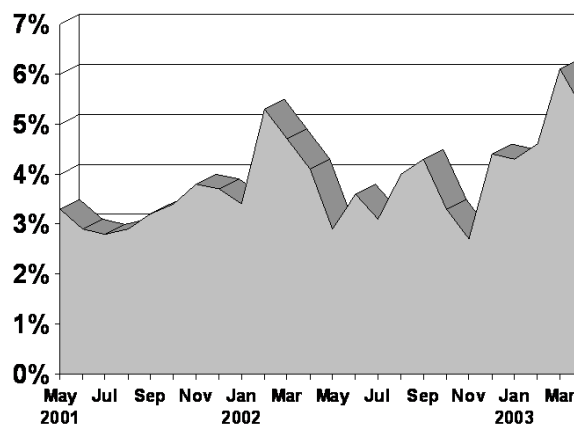
Jobs are Down

Just as recently as July 2002, Kane County was creating jobs at a rather perky 6-percent rate. But, by the end of 2002, the county was losing employment at a significant velocity. Between December 2001 and December 2002 (the most current data available), the county's employment dropped by almost 7.5 percent. That represents a decrease of almost 180 jobs.

Much of this job decline can be traced to just one source—leisure and hospitality services. Of course, most of the employment in this industry relates directly to tourism. In the same vein, retail trade also lost some positions.

The county displayed some employment gains, but the largest increase occurred in federal government employment—not the private sector. Most other increases proved relatively small. The good news? In upcoming months, a new call service center will provide additional jobs for Kane County workers.

***Seasonally Adjusted Kane County
Unemployment Rates***

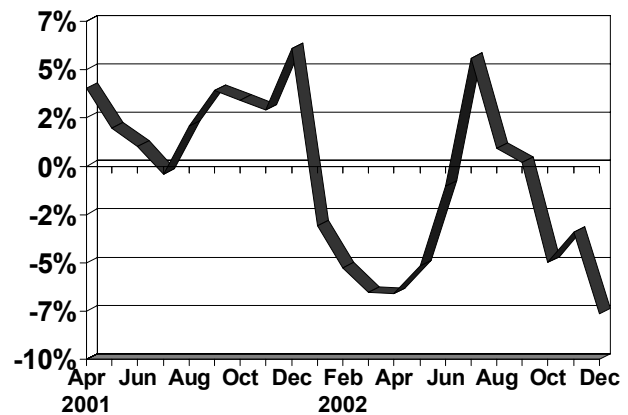


Source: Utah Department of Workforce Services.





Year-Over Change in Kane County Employment



Source: Utah Department of Workforce Services.

To the Point

Kane County's economy seems unable to settle in a specific trend. Currently the swing shows jobs declining with unemployment on the upswing. However, upbeat construction figures along with known future jobs could help prop the economy back up.

Unemployment rates have followed employment's erratic lead. However, for much of the past several years, joblessness has surpassed the state average. But, the times, they are a-changin'. The most recent crest in joblessness occurred as recently as March 2003 when the unemployment rate topped 6.1 percent. The April figure slipped to 5.3 percent, suggesting that employment growth might improve when 2003 figures are available.

While in the recent past, Kane County's joblessness has measured noticeably below the state average, it has currently pulled up to equal the Utah figure. However, it remains below U.S. unemployment—6.0 percent.

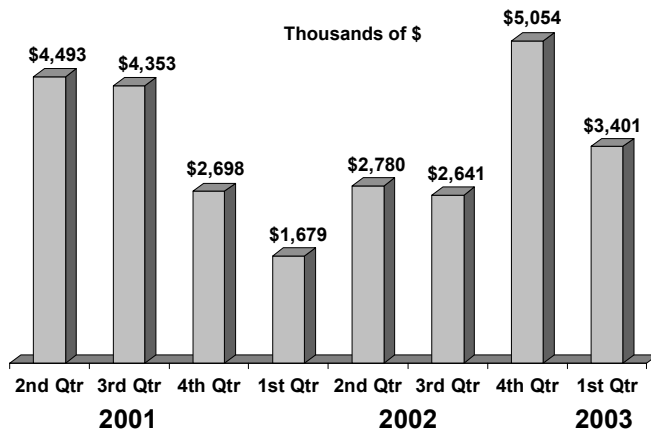
Construction Smiles

Construction provided an economic bright spot. While this is the most variable of the available economic indicators, the county has shown two quarters of strong expansion in permitted values. Between the first quarters of 2002 and 2003, the value of authorized construction more than doubled keeping up the trend set the quarter before.

Every construction category made significant improvements providing some much-needed economic encouragement. Nonresidential permit dollars quadrupled. A recreational building, an office building, and a retail store were among the larger projects.

Total Kane County Approved Construction Values

3



Source: Utah Bureau of Economic & Business Research.

The residential sector also jumped in with some significant gains. The number of new homes approved rose by 78 percent, with values following close behind. However, most of the permits were for manufactured/mobile homes and cabins—not typical single-family homes.

Sales Bounce Back

Sales bounced back with a 5-percent fourth quarter year-to-year gain during the fourth quarter of 2002. It wasn't enough, however, to keep the entire year in the black—just one more sign of the county's recent economic struggle. Sales in the retail and wholesale trade categories showed the only significant growth during fourth quarter.

What's Next?

Kane County isn't providing many clues for the future. The failure of any indicator to show a clear trend makes forecasting difficult. Plus, the county will likely feel the results of a sputtering national economy. In other words, economic activity in the months ahead calls for close scrutiny.

Lecia Parks Langston, Regional Economist
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Quick Facts

April 2003

Unemployment Rate

| | |
|-------------|------|
| Kane County | 5.3% |
| Utah | 5.3% |
| U.S. | 6.0% |

Dec 2002 Change from Previous Year

Job Growth

| | |
|-------------|-------|
| Kane County | -7.4% |
| Utah | 0.2% |
| U.S. | -0.2% |

1st Qtr 2003 Change from Previous Year

Construction Values

| | |
|-------------|--------|
| Kane County | 102.0% |
|-------------|--------|

4th Qtr 2002 Change from Previous Year

Sales

| | |
|-------------|------|
| Kane County | 5.2% |
|-------------|------|

Source: Utah Dept of Workforce Services,
 Bureau of Labor Statistics,
 Utah Tax Commission,
 Bureau of Econ & Business Research.

For more economic information about Kane County see:
<http://jobs.utah.gov/wi/regions/county.asp>

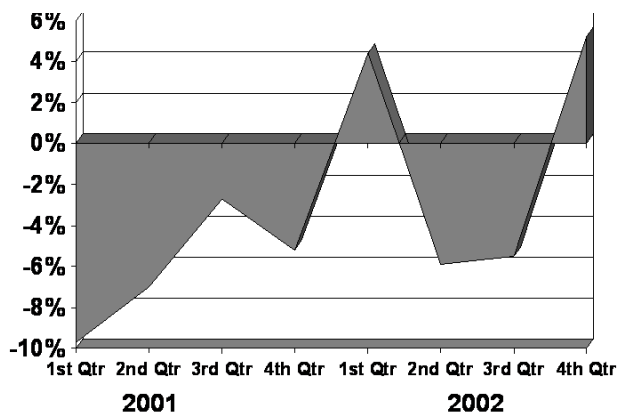
State of Utah

Utah Department of Workforce Services

140 East 300 South
PO Box 45249
Salt Lake City, UT 84145-0249

ADDRESS SERVICE REQUESTED

Year-Over Change in Kane County Gross Taxable Sales



Source: Utah Tax Commission.

The mission of the Utah Department of Workforce Services is to provide quality, accessible, and comprehensive employment-related and supportive services responsive to the needs of employers, job seekers, and the community.



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Where ideas connect™

03-13WK-0603

Equal Opportunity Employment Program

Auxiliary aids and services are available upon request to individuals with disabilities. Call (801) 526-9240. Individuals with speech and/or hearing impairments may call the state relay at 1-800-346-4128



What's Up?

- People came to Kanab from as far away as Massachusetts and England and from as near as Sandy and St. George for a "Greyhound Gathering." A love for the breed was not the only thing the 400 greyhounds and 383 humans in attendance had in common. The long-legged guests of honor had all been rescued from racing tracks and were facing dismal futures, or even death, before being adopted by their loving owners.

For more economic events, see:

<http://jobs.utah.gov/wi/Regions/western/kane/kaneee.pdf>